

STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN

1

**QUARTERLY FINANCIAL REPORTING FORM**

Submitted on 5/13/2004 9:02:42 AM

		1
1.	FOR THE QUARTER ENDING:	March 31, 2004
2.	Name:	California Benefits Dental Plan
3.	File Number:(Enter last three digits) 933-0	308
4.	Date Incorporated or Organized:	August 8, 1991
5.	Date Licensed as a HCSP:	July 31, 1992
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	August 1, 1992
8.	Mailing Address:	3611 S. Harbor Boulevard, Suite 150, Santa Ana, CA 92704
9.	Address of Main Administrative Office:	3611 S. Harbor Boulevard, Suite 150, Santa Ana, CA 92704
10.	Telephone Number:	714-540-4255
11.	HCSP's ID Number:	
12.	Principal Location of Books and Records:	3611 S. Harbor Boulevard, Suite 150, Santa Ana, CA 92704
13.	Plan Contact Person and Phone Number:	Valerie A. Clark 714-540-4255
14.	Financial Reporting Contact Person and Phone Number:	Aaron A. Mishkin 714-540-4255
15.	President:*	Valerie Anne Clark
16.	Secretary:*	George Wallace Ripley, III
17.	Chief Financial Officer:*	Robert John Plaza
18.	Other Officers:*	(Principal Officers Only)
19.		Michael Dean Heard
20.		Gary Prizzia
21.		# Kenneth Rone Baldwin
22.	Directors:*	Michael Dean Heard
23.		Suzanne Schoch
24.		Janis Milroy
25.		Valerie Anne Clark
26.		George Wallace Ripley, III
27.		# Kenneth Rone Baldwin
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32.	President	Valerie Anne Clark (please type for valid signature)
33.	Secretary	George Wallace Ripley, III (please type for valid signature)
34.	Chief Financial Officer	Robert John Plaza (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.		
35.	Check if this is a revised filing, and complete question 7 on page 2:	<input checked="" type="checkbox"/>
36.	If all dollar amounts are reported in thousands (000), check here:	<input type="checkbox"/>

Check My Work

STATE OF CALIFORNIA  
DEPARTMENT OF MANAGED HEALTH CARE  
HEALTH CARE SERVICE PLAN

1

**QUARTERLY FINANCIAL REPORTING FORM**  
**SUPPLEMENTAL INFORMATION**

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	First submission contained a schedule with amounts not in whole dollars.

## REPORT #1 ---- PART A: ASSETS

1	2
<b>CURRENT ASSETS:</b>	Current Period
1. Cash and Cash Equivalents	1,494,137
2. Short-Term Investments	1,158
3. Premiums Receivable - Net	121,182
4. Interest Receivable	
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	4,201
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	0
10. Aggregate Write-Ins for Current Assets	0
11. TOTAL CURRENT ASSETS (Items 1 to 10)	1,620,678
<b>OTHER ASSETS:</b>	
12. Restricted Assets	50,054
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	4,989
18. TOTAL OTHER ASSETS (Items 12 to 17)	55,043
<b>PROPERTY AND EQUIPMENT</b>	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	894
21. Computer Equipment - Net	3,394
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	4,288
27. TOTAL ASSETS	1,680,009
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS</b>	
1001.	
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS</b>	
1701. Tax Benefit Receivable	
1702. Cash Suspense	4,989
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	4,989
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT</b>	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

## REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
<b>CURRENT LIABILITIES:</b>	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	274,980	XXX	274,980
2. Capitation Payable		XXX	0
3. Claims Payable (Reported)	3,966		3,966
4. Incurred But Not Reported Claims	11,065		11,065
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	581,992	XXX	581,992
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	105,127	0	105,127
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	977,130	0	977,130
<b>OTHER LIABILITIES:</b>			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term	139,736	XXX	139,736
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	139,736	XXX	139,736
19. TOTAL LIABILITIES	1,116,866	0	1,116,866
<b>NET WORTH</b>			
20. Common Stock	XXX	XXX	10,000
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	870,880
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	-377,959
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	60,222
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	563,143
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	1,680,009
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES</b>			
1101. Accrued Salaries	97,342		97,342
1102. Taxes Payable	7,785		7,785
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	105,127	0	105,127
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES</b>			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS</b>			
2501. Net Income	XXX	XXX	60,223
2502. Rounding	XXX	XXX	-1
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	60,222

**REPORT #2: REVENUE, EXPENSES AND NET WORTH**

	1	2
	Current Period	Year-To-Date
<b>REVENUES:</b>		
1. Premiums (Commercial)	519,667	519,667
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service	19,618	19,618
7. Point-Of-Service (POS)		
8. Interest	3,655	3,655
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	0	0
11. TOTAL REVENUE (Items 1 to 10)	542,940	542,940
<b>EXPENSES:</b>		
<b>Medical and Hospital</b>		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	165,398	165,398
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated	3,348	3,348
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	168,746	168,746
<b>Administration</b>		
25. Compensation	113,855	113,855
26. Interest Expense		
27. Occupancy, Depreciation and Amortization	30,156	30,156
28. Management Fees	29,250	29,250
29. Marketing	85,947	85,947
30. Affiliate Administration Services	-16,507	-16,507
31. Aggregate Write-Ins for Other Administration	31,869	31,869
32. TOTAL ADMINISTRATION (Items 25 to 31)	274,570	274,570
33. TOTAL EXPENSES	443,316	443,316
34. INCOME (LOSS)	99,624	99,624
35. Extraordinary Item		
36. Provision for Taxes	39,401	39,401
37. NET INCOME (LOSS)	60,223	60,223
<b>NET WORTH:</b>		
38. Net Worth Beginning of Period	513,473	513,473
39. Audit Adjustments	-10,552	-10,552
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	60,223	60,223
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	-1	-1
49. NET WORTH END OF PERIOD (Items 38 to 48)	563,143	563,143

**REPORT #2: REVENUE, EXPENSES AND NET WORTH**

1	2	3
	Current Period	Year-to-Date
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES</b>		
1001.		
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES</b>		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES</b>		
3101. General & Administrative Expenses	24,141	24,141
3102. Bad Debt	3,372	3,372
3103. DMHC Assessment Fees, Local Taxes	4,358	4,358
3104. Rounding	-2	-2
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	31,869	31,869
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS</b>		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS</b>		
4801. Rounding	-1	-1
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	-1	-1

## REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>		
1. Group/Individual Premiums/Capitation	480,873	480,873
2. Fee-For-Service	19,618	19,618
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues	3,655	3,655
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-176,935	-176,935
8. Administration Expenses	-257,157	-257,157
9. Federal Income Taxes Paid	-7,034	-7,034
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	63,020	63,020
<b>CASH FLOW PROVIDED BY INVESTING ACTIVITIES</b>		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		0
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments	-14	-14
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-14	-14
<b>CASH FLOW PROVIDED BY FINANCING ACTIVITIES:</b>		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates	27,987	27,987
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates	0	0
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	-10,555	-10,555
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	17,432	17,432
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	80,438	80,438
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	1,413,699	1,413,699
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	1,494,137	1,494,137
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
30. Net Income	60,223	60,223
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</b>		
31. Depreciation and Amortization	3,783	3,783
32. Decrease (Increase) in Receivables	-31,227	-31,227
33. Decrease (Increase) in Prepaid Expenses	5,271	5,271
34. Decrease (Increase) in Affiliate Receivables	0	0
35. Increase (Decrease) in Accounts Payable	35,461	35,461
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-8,189	-8,189
37. Increase (Decrease) in Unearned Premium	-7,567	-7,567
38. Aggregate Write-Ins for Adjustments to Net Income	5,265	5,265
39. TOTAL ADJUSTMENTS (Items 31 through 38)	2,797	2,797
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	63,020	63,020
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES</b>		
2501. Rounding	-3	-3
2502. Increase in Retained Earnings		
2503. Audit Adjustment	-10,552	-10,552
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	-10,555	-10,555
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME</b>		
3801. Tax Benefit Receivable (Payable)	32,367	32,367
3802. Accrued Salaries	-29,492	-29,492
3803. Cash Suspense	2,390	2,390
3898. Summary of remaining write-ins for Item 38 from overflow page	0	0
3899. TOTALS (Items 3801 thru 3803 plus 3898)	5,265	5,265

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## REPORT #4: ENROLLMENT AND UTILIZATION TABLE

## TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	5,259	1,006	912	5,353	16,059			0			0
2. Medicare Risk	0			0	0			0			
3. Medi-Cal Risk	0			0	0			0			
4. Individual	16,317	1,714	2,324	15,707	47,121			0		0	
5. Point of Service	0			0	0			0			
6. Aggregate write-ins for Other	2,243	94	271	2,066	6,198	0	0	0	0	0	
7. Total Membership	23,819	2,814	3,507	23,126	69,378	0	0	0	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group	2,243	94	271	2,066	6,198			0		0	
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	2,243	94	271	2,066	6,198	0	0	0	0	0	

\*\* The Plan considers "Small Group" those groups enrolled in the Plan's Individual and Small Group Plans regardless of size unless the group is part of a larger multi-plan option group. Also, Addition and Termination numbers for Small Group are estimated at 9% of the total Additions and Terminations for this period.

**SCHEDULE A-1 (CASH)**

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Bank of America	09845-08153	0
2. Bank of America	09846-12541	0
3. Bank of America	12337-35547	8,992
4. Bankers Trust	00-390-440	1,485,145
5. Fleet Bank	94284-34441	0
6. Chase Manhattan Bank	323-198821	0
7.		
8.		
9. Total Cash on Deposit		1,494,137
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		1,494,137

**SCHEDULE A-2 RESTRICTED ASSETS**

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. CitiBank	728-006827-6	50,054
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		50,054

\* Indicate the Balance Per the HMO's Records

\*\*

**SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)**

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Aggregate Accounts Not Individually Listed	103,698	10,654	3,070	3,760	121,182
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
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31.						0
32.						0
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34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	103,698	10,654	3,070	3,760	121,182

**SCHEDULE D**  
**HEALTH CARE RECEIVABLES &**  
**AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES**

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.		-	0	0	0	0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
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32.						0
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36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

**SCHEDULE F - ACCOUNTS PAYABLE**

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1. Aggregate Amount Not Individually Listed-Due	274,980					274,980
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23. Aggregate Accounts Not Individually Listed - Due						0
24. Total	274,980	0	0	0	0	274,980

\*\*

**SCHEDULE G - UNPAID CLAIMS ANALYSIS**  
**SECTION I - CLAIMS UNPAID**

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims			0
3. Referral Claims	3,966	11,065	15,031
4. Other Medical			0
5. TOTAL	3,966	11,065	15,031

**SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)**

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

**SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED\***

1 Month Ending	2 <b>Beginning Balance</b> Number of Claims in inventory on the 1st of each month	3 <b>Add - Claims</b> Received during the month	4 <b>Deduct -</b> Claims paid during the month	5 <b>Deduct - Claims</b> denied during the month	6 <b>Add/Deduct -</b> Adjustments	7 <b>Ending Balance</b> Number of claims in inventory at the end of the month
11. <del>March 31, 2004</del>	3	11	11			3
12. <del>February 29, 2004</del>	2	14	13			3
13. <del>January 31, 2004</del>	0	11	9			2
14. <del>December 31, 2003</del>	3	13	16		0	0
15. <del>November 30, 2003</del>	4	7	5		-3	3
16. <del>October 31, 2003</del>	8	19	22		-1	4
17. <del>September 30, 2003</del>	18	17	26	1		8
18. <del>August 31, 2003</del>	9	18	9			18
19. <del>July 31, 2003</del>	3	13	8		1	9
20. <del>June 30, 2003</del>	4	5	6			3
21. <del>May 31, 2003</del>	5	8	9			4
22. <del>April 30, 2003</del>	15	21	31			5

\* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

\*\*

**SCHEDULE H - AGING OF ALL CLAIMS**

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding.  
The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

1.	1 Month Ending	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
2.	March 31, 2004	3	0	0	0	3
3.	February 29, 2004	3	0	0	0	3
4.	January 31, 2004	2	0	0	0	2
5.	December 31, 2003	0	0	0	0	0
6.	November 30, 2003	3	0	0	0	3
7.	October 31, 2003	4	0	0	0	4
8.	September 30, 2003	8	0	0	0	8
9.	August 31, 2003	18	0	0	0	18
10.	July 31, 2003	7	2	0	0	9
11.	June 30, 2003	3	0	0	0	3
12.	May 31, 2003	3	1	0	0	4
13.	April 30, 2003	5	0	0	0	5

\*\*



**SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID**

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag
1. March 31, 2004	15,031	XXX	15,031	11,065
2. December 31, 2003	25,159	20,429	4,730	22,372
3. September 30, 2003	26,438	24,772	1,666	12,770
4. June 30, 2003	21,322	20,533	789	4,883
5. March 31, 2003	21,560	21,258	302	2,803
6. December 31, 2002	10,606	10,606	0	944
7. September 30, 2002	6,012	6,012	0	535
8. June 30, 2002	2,360	2,360	0	85

\* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
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**KNOX-KEENE**  
**SUPPLEMENTAL INFORMATION**  
**PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68**

	1	2	3	4	5
<b>A.</b>	<b>Explanation of the method of calculating the provision for incurred and unreported claims:</b>				
1.	The Plan uses a Claims Lag Table using a rolling 18 months of data.				
<b>B.</b>	<b>Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:</b>				
	<u>Name of Debtor</u>	<u>Nature of Relationship</u>	<u>Nature of Receivable</u>	<u>Amount</u>	<u>Terms</u>
2.					
3.					
4.					
5.					
6.					
<b>C.</b>	<b>Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:</b>				
	<u>Donor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Valuation Method</u>	<u>Amount</u>	
7.					
8.					
9.					
10.					
11.					
<b>D.</b>	<b>Forgiven debt or obligations, as detailed below:</b>				
	<u>Creditor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Summary of How Obligation Arose</u>	<u>Amount</u>	
12.					
13.					
14.					
15.					
<b>E.</b>	<b>Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:</b>				
16.	Net Equity		\$	563,143	
17.	Add: Subordinated Debt		\$	0	
18.	Less: Receivables from officers, directors, and affiliates		\$	0	
19.	Intangibles		\$	0	
20.	Tangible Net Equity (TNE)		\$	563,143	
21.	Required Tangible Net Equity (See Page 22)		\$	50,000	
22.	TNE Excess (Deficiency)		\$	513,143	
<b>F.</b>	<b>Percentage of administrative costs to revenue obtained from subscribers and enrollees:</b>				
23.	Revenue from subscribers and enrollees		\$	519,667	
24.	Administrative Costs		\$	274,570	
25.	Percentage			53	
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:		\$	232	
27.	Total costs for health care services for the immediately preceding six months:		\$	362,428	
28.	Percentage			0	

## STATEMENT AS OF 3-31-2004 OF 933-0308 California Benefits Dental Plan

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		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be paid</u> to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

## REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

Full Service Plans		Specialized Plans	
	1		2
<b>A.</b> Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
<b>B. REVENUES:</b>			
1. 2% of the first \$150 million of annualized premium revenues	\$	2% of the first \$7.5 million of annualized premium revenue	\$ 41,573
Plus		Plus	
2. 1% of annualized premium revenues in excess of \$150 million	\$	1% of annualized premium revenue in excess of \$7.5 million	\$ 0
3. Total	\$ 0	Total	\$ 41,573
<b>C. HEALTHCARE EXPENDITURES:</b>			
4. 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 1,071
Plus		Plus	
5. 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 0
Plus		Plus	
6. 4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0
7. Total	\$ 0	Total	\$ 1,071
8. Required "TNE" - Greater of "A" "B" or "C"	\$	Required "TNE" - Greater of "A" "B" or "C"	\$ 50,000

**KNOX -KEENE  
SUPPLEMENTAL INFORMATION  
PURSUANT TO SECTIONS 1374.64**

**POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION**

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

		1
1. Net Equity	\$	563,143
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	563,143
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	563,143
<b>ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):</b>		
<b>I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):</b>		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
<b>II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):</b>		
<b><u>PART A</u></b>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
<b>III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING</b>		
14. Line 5 (above)	\$	563,143
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	563,143
<b>If Line 14 is less than Line 15, then monthly reporting is required</b>		

**WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION**

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>



**STATEMENT AS OF 3-31-2004 OF 933-0308 California Benefits Dental Plan**

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